

PHILIP MORRIS USA

INTER-OFFICE CORRESPONDENCE

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TO: Suzanne LeVan

DATE: March 9, 1994

FROM: Clark Murray

SUBJECT: Virginia Slims--Tear Tape *(C2w)*

CC:
A. Martullier
S. Teitelbaum
J. Bonhomme

The purpose of this memo is to follow-up on my March 2 recommendation (copy attached) by reporting the results and implications of our just-completed qualitative research. As per our agreement, the polyester (current) and polypropylene (proposed) tear tape samples were shown to consumers during our ad research in Tampa.

In that research, the following happened:

- Even though consumers were allowed/encouraged to examine the polyester and the polypropylene in microscopic detail with one package juxtaposed to the other, virtually no consumer spontaneously noticed the different tear tapes on any of the non-menthol or on the Superslims menthol package (i.e., on any of the packages where the tear tape is currently gold.)
- Even when the different tear tapes on these packages were specifically pointed out, many consumers expressed difficulty in seeing the difference.
- When asked how they would feel if the gold polypropylene tear tape replaced the gold polyester tear tape, most consumers laughed and all said it would not matter at all.
- Some consumers did spontaneously notice the difference when they looked at the menthol packing where the green polyester tear tape had been replaced by the gold polypropylene. When asked what the change meant to them, some customers replied the gold "didn't look that good."

Given these results, I recommend we ASAP begin converting all of the non-menthol and Superslims menthol packings to gold polypropylene and begin realizing the annual cost saving of \$265,798. At the same time, I recommend we not take the cost reduction on the remaining menthol packings but instead challenge Richmond to explore opportunities for cost-reduced green tear tape materials.

Obviously, I would like to get back to Richard Kelly et al as soon as possible with our intentions. Please let me know where you're at on this.

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